Government of Saskatchewan

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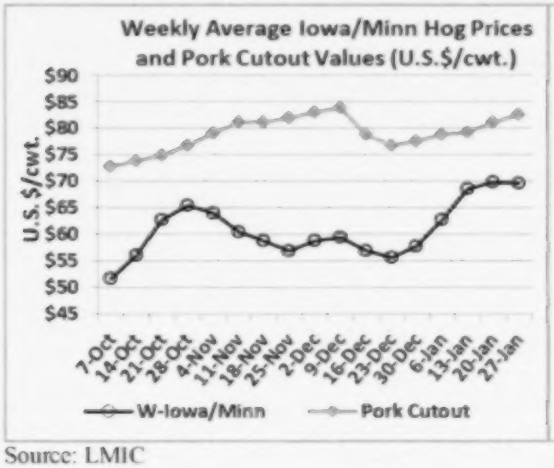
Weekly Hog Report

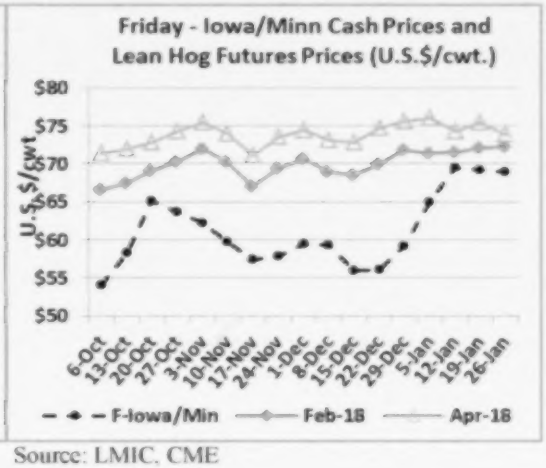
January 29, 2018

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (Iowa/Minn) were overall steady last week. Hog prices on Friday January 26 averaged US$68.89 per cwt, down slightly (US$0.37 per cwt) from US$69.26 per cwt the previous Friday. The negotiated weekly base price last week averaged US$69.50 per cwt, down slightly (US$0.25 per cwt) from US$69.75 per cwt the previous week.



Source: LMIC



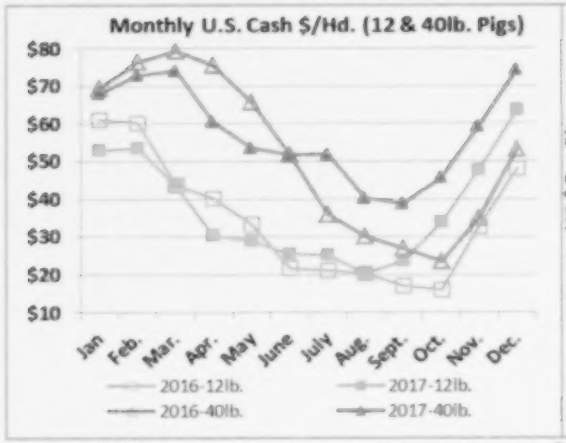
Source: LMIC, CME

Futures Markets

United States lean hog futures daily prices were mixed last week with prices trending overall lower, week-over-week. The nearby February contract increased slightly (US$0.200 per cwt) to settle last Friday at US$72.275 per cwt; while the April 2018 contract declined US$1.700 per cwt to settle last Friday at US$73.800 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed again last week. Weighted average cash prices for iso-weans (12lb) last week were US$71.26 per head, down US$1.77 per head or 2.4 per cent from US$73.03 per head the previous week. Feeders (40lb) averaged US$86.26 per head, up US$1.30 per cwt or 1.5 per cent from US$84.99 per head, the previous week.



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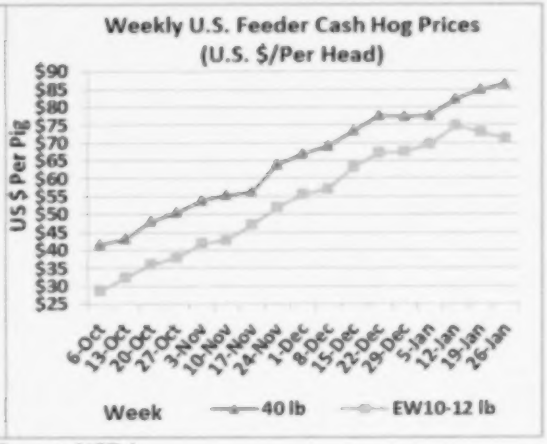
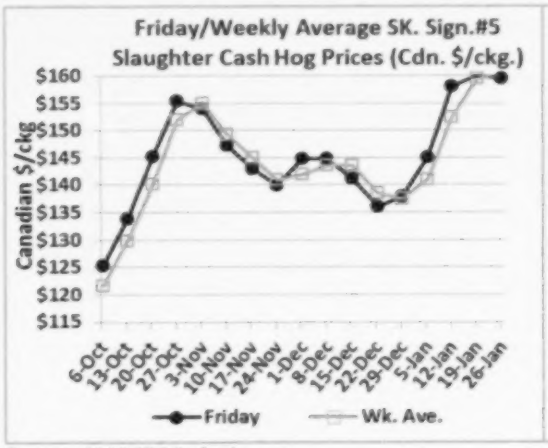


Source: USDA

Canadian Hog Markets

In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday January 26, 2018 was $159.37 per ckg, down $0.73 per ckg from $160.10 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $160.45 per ckg the week ending January 26, 2018; up $1.12 per ckg from the previous weeks' average price of $159.33 per ckg. Hogs prices last week were slightly above the normal seasonal highs for this time of year. The Canadian dollar compared to the U.S. dollar settled last Friday at 81.16 cents, up 0.90 cents from 80.26 cents the previous Friday.



Source: HAMS Marketing

Source: Est. based on weekly prices HAMS

Canadian Hog Slaughter

In Canada, federal and provincial hog slaughter numbers for the week ending January 20, 2018 were estimated at 454,123 head, up 2.3 per cent from 444,022 head the previous week, and up 0.6 per cent from 451,604 head the same week a year ago. Canadian hog slaughter numbers over the last eight weeks averaged 405,840 head, up 0.3 per cent from 404,677 head over the same period a year ago. Year-to-date for the first three weeks of 2018, Canadian hog slaughter numbers totaled 1,212,982 head, down 5.3 per cent from 1,281,287 head the same period a year ago. (Source: AAFC/CFIA)

United States Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending January 27 were estimated at 2.370 million head, up 1.4 per cent from 2.338 million head the previous week, and up slightly from 2.368 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last eight weeks have averaged 2.369 million head, up 3.2 per cent from 2.395 million head over the same period a year ago.

Meat Production

U.S. pork production for the week ending January 27, 2018 was estimated at 506.9 million lb., up 1.6 per cent from 498.9 million lb. the previous week, and up 0.5 per cent from 504.2 million lb. the same week a year ago. Pork production over the last eight week's ending January 27 was estimated to average 506.4 million lb., up 4.1 per cent from 486.5 million lb. over the same eight week period a year ago.

U.S. beef production for the week ending January 27, 2018 was estimated at 490.3 million lb., down 4.6 per cent from 514.0 million lb. the previous week, but up 3.3 per cent from 474.7 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending January 20, 2018, was estimated to average 1.974 billion lb., down 0.9 per cent from 1.992 billion lb. over the same four weeks a year ago. Based on the weekly production numbers for the first three weeks of 2018 meat production is down 1.5 per cent compared to the same three weeks in 2017. There were bigger declines in chicken production than increases in pork and beef production.

United States Weekly Meat Production

(Jan.20) Four Week Average - Million Lb.			Percent Change	
	2016/17	2017/18	4 Week	YTD -2018
Pork	472.1	480.4	1.8%	1.8%
Beef	464.0	473.3	2.0%	3.4%
Chicken	936.2	900.0	-3.9%	-6.0%
Turkey	120.2	120.1	0.0%	1.9%
Total	**1,992.4**	**1,973.8**	**-0.93%**	**-1.53%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending January 27, 2018 averaged US$82.43 per cwt, up US$1.46 per cwt or 1.8 per cent from US$80.97 per cwt the previous week; and up 0.8 per cent from US$81.79 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending January 27, 2018 averaged US$206.70 per cwt over the week, up US$0.81 per cwt or 0.4 per cent from US$205.89 per cwt the previous week, and up 7.6 per cent from US$192.09 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending January 27 averaged US$107.12 per cwt, up US$2.29 per cwt or 2.2 per cent from US$104.83 per cwt the previous week, and up 2.6 per cent from US$104.36 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on January 24, 2018. The United States' pork stocks in cold storage totaled 490.8 million lb. on December 31, 2017, down 2.3 per cent from 502.3 million lb. on November 30, 2017, but up 3.2 per cent from 475.4 million lb. on December 31, 2016. U.S. pork stocks in cold storage for December 31, 2017 were below the monthly 12-year average.

United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**31-Dec-2016**	**30-Nov-2017**	**31-Dec-2017**
Pork	475,387	502,324	490,782
Beef	567,888	485,193	489,543
Chicken	804,066	896,602	886,078
Turkey	278,741	288,536	311,005
Total Combined	**2,126,082**	**2,172,655**	**2,177,408**

Source: NASS

The U.S. beef stocks in cold storage totaled 489.5 million lb. on December 31, 2017, up 0.9 per cent from 485.2 million lb. on November 30, 2017, but down 13.8 per cent from 567.9 million lb. on Dec. 31, 2016. U.S. beef stocks in cold storage at the end of December 2017 were above the 12 year average for December.

Total pork, beef, chicken and turkey in cold storage on December 31, 2017 was estimated to be 2.177 billion lb., up slightly from November 30, 2017, and up 2.4 per cent from 2.126 billion lb. on December 31, 2016. U.S. meat in cold storage for December 31, 2017 was above the monthly 12-year average for December, but below the monthly highs.

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